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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

14 Cr. 808 (GHW)

5 KAREN ALAMEDDINE,

6 Defendant.

7 -----x  
8 New York, N.Y.  
9 April 30, 2015  
2:45 p.m.

10 Before:

11 HON. GREGORY H. WOODS

District Judge

12  
13 APPEARANCES

14 PREET BHARARA

15 United States Attorney for the  
16 Southern District of New York

BY: STANLEY OKULA

Assistant United States Attorney

17 JOSHUA DRATEL

Attorney for Defendant

18 ALSO PRESENT: VIRGINIA COLOMBO, U.S. Postal Inspector  
19 CAROLYN WORKING, Special Agent, IRS  
20  
21  
22  
23  
24  
25

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(Case called)

(In open court)

MR. OKULA: Good afternoon, your Honor. Stanley Okula for the United States. Seated with me at counsel table are postal inspector Virginia Colombo from the United States Postal Inspection Service and special agent Carolyn Working from the IRS.

THE COURT: Good afternoon.

MR. DRATEL: Good afternoon, your Honor. Joshua Dratel for Ms. Alameddine, who is seated beside me.

THE COURT: Good afternoon. And good afternoon, Ms. Alameddine. I'm sorry for being late. I will explain to you I am late because the submission of the plea agreement was late, and I have been taking this time to review it.

As you know, in my individual rules the government should get the agreement to chambers as soon as practical but no later than three days before the scheduled plea. I understand it's dated April 29 and today is the 30th. Still, I would appreciate it, as you would in my situation, if you could send these materials to me in advance.

Now, Ms. Alameddine, let me just confirm for the record you are able to understand English?

THE DEFENDANT: Yes.

THE COURT: Thank you. So, Ms. Alameddine, I have been informed that you wish to plead guilty to Counts One and

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1 Seven of the indictment numbered 14 Cr. 808. Is that correct?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Thank you. Now, before I accept your  
4 plea, I'm going to ask you a number of questions. You and I  
5 have been through this before in connection with your  
6 arraignment. The purpose of this is in this instance so I can  
7 establish to my satisfaction that you wish to plead guilty  
8 because you are in fact guilty and not for some other reason.  
9 And I also want to establish that you know what it is that you  
10 will be giving up by pleading guilty in this case.

11 If you don't understand any of my questions, or if at  
12 any point you would like to confer with your lawyer, or would  
13 like to ask me for more information, or clarification of any of  
14 my questions, please don't hesitate to ask me to pause. I  
15 would be happy to do so. It's most important for me to be  
16 comfortable that you understand my questions and that the plea  
17 that you will be giving me -- if you choose to do so -- is done  
18 knowingly, intelligently and voluntarily. So please let me  
19 know.

20 THE DEFENDANT: Thank you.

21 THE COURT: Before we proceed, I'm going to ask my  
22 deputy, Mr. Daniels, to place you under oath before I begin to  
23 administer these questions.

24 (Defendant sworn)

25 THE COURT: Ms. Alameddine, you are now under oath,

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1 which means if you answer any of my questions falsely, you may  
2 be prosecuted for the separate crime of perjury or making false  
3 statements. The government has the right to use any statement  
4 that you give under oath against you in such prosecution. Do  
5 you understand that?

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: Thank you. First would you please tell me  
8 your full name.

9 THE DEFENDANT: Karen Juanita Alameddine.

10 THE COURT: Thank you. And how old are you?

11 THE DEFENDANT: I'm 58.

12 THE COURT: Thank you. Where were you born?

13 THE DEFENDANT: In Detroit, Michigan.

14 THE COURT: Thank you. How far did you go in school?

15 THE DEFENDANT: Masters degree.

16 THE COURT: Thank you. And can you briefly describe  
17 your employment experience.

18 THE DEFENDANT: I worked for several years doing  
19 accounting, bookkeeping for over 20 years, I guess you could  
20 say.

21 THE COURT: Thank you.

22 THE DEFENDANT: For profit and nonprofit.

23 THE COURT: Thank you very much. Have you ever been  
24 treated or hospitalized for any mental illness?

25 THE DEFENDANT: No, your Honor.

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1 THE COURT: Are you currently or have you recently  
2 been under the care of a physician, psychiatrist or  
3 psychologist?

4 THE DEFENDANT: Being incarcerated or not being  
5 incarcerated?

6 THE COURT: You have been under the care of a  
7 physician, psychiatrist or psychologist?

8 THE DEFENDANT: Yes.

9 THE COURT: You have?

10 THE DEFENDANT: Yes.

11 THE COURT: While you have been incarcerated?

12 THE DEFENDANT: No, your Honor.

13 THE COURT: OK. Has this in any way impacted your  
14 ability to understand what it is that you would be doing by  
15 entering into a plea of guilty?

16 THE DEFENDANT: No.

17 THE COURT: How long ago was it that you were treated?

18 THE DEFENDANT: Up until October of 2014.

19 THE COURT: Do you mind if I inquire what the nature  
20 of the illness was?

21 THE DEFENDANT: Just anxiety.

22 THE COURT: Thank you. Did that make it difficult for  
23 you to understand the actions that you were taking at any time?

24 THE DEFENDANT: No, your Honor.

25 THE COURT: Thank you. Are you currently or have you

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1 recently been hospitalized or treated for drug addiction?

2 THE DEFENDANT: No, your Honor.

3 THE COURT: Within the past 24 hours have you used or  
4 taken any alcohol, drugs or medication?

5 THE DEFENDANT: Just high blood pressure medication.

6 THE COURT: Thank you very much. Does that affect in  
7 any way your ability to understand or --

8 THE DEFENDANT: No.

9 THE COURT: Thank you. Is your mind clear today?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Thank you. So, do you understand what is  
12 happening in this proceeding?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Have you received a copy of the indictment  
15 pending against you?

16 THE DEFENDANT: Yes.

17 THE COURT: Have you had enough of an opportunity to  
18 discuss with your lawyer the charges to which you intend to  
19 plead guilty and any possible defenses to those charges?

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: Has your lawyer explained to you the  
22 consequences of entering a plea of guilty?

23 THE DEFENDANT: Yes.

24 THE COURT: Are you fully satisfied with your lawyer's  
25 representation of you?

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1 THE DEFENDANT: Yes.

2 THE COURT: So, let me turn to you, Mr. Dratel. Have  
3 you discussed this matter with your client?

4 MR. DRATEL: Yes, I have, your Honor.

5 THE COURT: Is she capable of understanding the nature  
6 of these proceedings?

7 MR. DRATEL: Yes.

8 THE COURT: Can I ask both sets of counsel, Mr. Okula  
9 and Mr. Dratel, do either of you have any doubt as to the  
10 defendant's competence to plead at this time?

11 MR. OKULA: We have no doubt, your Honor.

12 THE COURT: Thank you.

13 MR. DRATEL: No, your Honor.

14 THE COURT: Thank you. On the basis of  
15 Ms. Alameddine's responses to my questions, my observations of  
16 her demeanor here in court, and the representations of counsel,  
17 I find that the defendant is competent to enter a plea of  
18 guilty at this time.

19 So, Ms. Alameddine, before we turn to your plea, I'm  
20 going to explain a number of constitutional rights that you  
21 have. I do this because it's important for you to understand  
22 what your rights are and what rights you will be giving up by  
23 pleading guilty if you choose to plead guilty. So, please  
24 listen carefully to what I have to say. Again, if you would  
25 like to ask questions of your counsel or me during this, please

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1 don't hesitate to let me know.

2 So, first, under the Constitution and laws of the  
3 United States, you have the right to plead not guilty to the  
4 charges in the indictment. Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: If you did plead not guilty, you would be  
7 entitled to a speedy and public trial by a jury on the charges  
8 contained in this indictment. Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: At a trial you would be presumed to be  
11 innocent, and the government would be required to prove you  
12 guilty by competent evidence beyond a reasonable doubt before  
13 you could be found guilty. Do you understand that?

14 THE DEFENDANT: Yes.

15 THE COURT: A jury of 12 people would have to agree  
16 unanimously that you were guilty, and you would not have to  
17 prove that you were innocent if you were to go to trial. Do  
18 you understand that?

19 THE DEFENDANT: Yes.

20 THE COURT: At that trial and at every stage of your  
21 case you would be entitled to be represented by a lawyer, and  
22 if you could not afford a lawyer, one would be appointed at  
23 public expense, that is, free of cost, to represent you. Do  
24 you understand that?

25 THE DEFENDANT: Yes, sir.



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1 THE COURT: During a trial the witnesses for the  
2 government would have to come to court and testify in your  
3 presence. Your lawyer could cross-examine the witnesses for  
4 the government, object to evidence offered by the government,  
5 and offer evidence on your own behalf if you so desired; and  
6 you would have the right to have subpoenas issued or other  
7 process used to compel witnesses to testify in your defense.  
8 Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: At trial, although you would have the  
11 right to testify if you chose to do so, you would also have the  
12 right not to testify. And if you decided not to testify, no  
13 one, including the jury, could draw any inference or suggestion  
14 of guilt from the fact that you did not testify. Do you  
15 understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: Have you had a full opportunity to discuss  
18 with your lawyer whether there is a basis to seek suppression  
19 of some or all of the evidence against you on the ground that  
20 your constitutional rights were violated?

21 THE DEFENDANT: Yes.

22 THE COURT: Thank you. Do you understand that by  
23 pleading guilty you are giving up your right to seek  
24 suppression of any evidence against you?

25 THE DEFENDANT: Yes.

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1 THE COURT: If you were convicted at a trial, you  
2 would have the right to appeal that verdict. Do you understand  
3 that?

4 THE DEFENDANT: Yes.

5 THE COURT: Even now as you are entering this plea you  
6 have the right to change your mind and plead not guilty and go  
7 to trial on the charges contained in the indictment. Do you  
8 understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: If you plead guilty, you should understand  
11 you will also have to give up your right not to incriminate  
12 yourself. That's because I will ask you questions about what  
13 you did in order to assure myself that you're pleading guilty  
14 because you are in fact guilty and, therefore, you will have to  
15 admit and acknowledge your guilt. Do you understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: If you plead guilty, and if I accept your  
18 plea, you will give up your right to a trial and all of the  
19 other rights that I have just described, other than the right  
20 to a lawyer, which you would have under all circumstances at  
21 all times, regardless of whether you plead guilty. But there  
22 will be no trial. I will enter a judgment of guilty, and I  
23 will sentence you on the basis of your plea after I have  
24 considered a presentence report and whatever submissions I get  
25 from your lawyer and the government. There will, however, be

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1 no appeal with respect to whether the government could use the  
2 evidence it has against you or with respect to whether you did  
3 or did not commit this crime. Do you understand that?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: Thank you. Ms. Alameddine, I just  
6 explained to you a number of constitutional rights. Can I just  
7 confirm, do you understand each and every one of these rights?

8 THE DEFENDANT: Yes, I do, your Honor.

9 THE COURT: Are you willing to give up your right to a  
10 trial and the other rights that I have just discussed with you?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: So, Ms. Alameddine, we discussed this at  
13 your arraignment in December, but please bear with me. I  
14 understand that you have received a copy of the indictment  
15 containing the charges against you. Is that correct?

16 THE DEFENDANT: Yes.

17 THE COURT: Have you read the indictment?

18 THE DEFENDANT: Yes, I have.

19 THE COURT: Do you understand that in Count One of the  
20 indictment you are charged with engaging in a scheme, in this  
21 case to defraud a nonprofit foundation of money and property  
22 through use of interstate and international wire transfers in  
23 violation of 18 U.S.C. 1343?

24 THE DEFENDANT: Yes.

25 THE COURT: Now, Mr. Okula, can I turn to you to

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1 please state the elements of that offense.

2 MR. OKULA: Yes, your Honor. There are three elements  
3 to the wire fraud charge contained in Count One: First, that  
4 there existed a scheme or artifice to defraud or to obtain  
5 monies by means of false pretenses, representations and  
6 promises; second, that the defendant knowingly became a  
7 participant in that scheme and artifice to defraud; and, third,  
8 that in furtherance of the scheme and artifice of the fraud the  
9 defendant either herself engaged in a wire communication in  
10 interstate or international commerce or caused such a  
11 communication to take place.

12 THE COURT: Thank you very much, Mr. Okula.

13 Ms. Alameddine, do you understand that in Count Seven  
14 of the indictment you are charged with tax evasion for the tax  
15 year 2013, in violation of 26 U.S.C., Section 7201?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Thank you. Mr. Okula, can I turn to you  
18 again to state the elements of that offense.

19 MR. OKULA: Yes, your Honor. There are three elements  
20 to the tax evasion offense contained in Count Seven: First,  
21 the existence of a tax deficiency, that is, an additional  
22 amount of taxes due and owing as a result of the defendant's  
23 conduct during the year in question; second, that the defendant  
24 engaged in or caused an affirmative act of evasion to take  
25 place; and, third, that the defendant acted willfully within

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1 this tax evasion, which means that she violated a known legal  
2 duty.

3 THE COURT: Good. Thank you very much. So,  
4 Ms. Alameddine, you just heard Mr. Okula describe the elements  
5 of each of the two charges to which you intend to plead guilty.  
6 Do you understand that if you were to go to trial for each of  
7 these counts the government would have to prove all of the  
8 elements of each of the counts beyond a reasonable doubt?

9 THE DEFENDANT: Yes, your Honor.

10 THE COURT: Thank you. Now I'm going to tell you  
11 about the maximum possible penalties for these crimes. You  
12 should understand that the maximum possible penalty means the  
13 most that could possibly be imposed. It doesn't mean it's what  
14 you will necessarily get. But you have to understand that by  
15 pleading guilty you are exposing yourself to the possibility of  
16 receiving any combination of punishments up to the maximum I'm  
17 about to describe. Do you understand that?

18 THE DEFENDANT: Yes, your Honor.

19 THE COURT: First I'm going to tell you about the  
20 possible restrictions on your liberty.

21 The maximum term of imprisonment for Count One is 20  
22 years, which could be followed by up to five years of  
23 supervised release.

24 The maximum term of imprisonment for Count Seven is  
25 five years, which could be followed by up to three years of

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1 supervised release.

2 Now, supervised release, as Mr. Dratel has probably  
3 already explained to you, means that you would be subject to  
4 supervision by the probation office. There will be rules of  
5 supervised release that you will have to follow, and if you  
6 violate those rules, you can be returned to prison without a  
7 jury trial to serve additional time, with no credit for time  
8 you served in prison as a result of your sentence and no credit  
9 for any time spent on post-release supervision. Do you  
10 understand that?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: And you should understand that there is no  
13 parole in the federal system, and that if you are sentenced to  
14 prison you will not be released early on parole. Do you  
15 understand that?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Do you understand that it is possible,  
18 taking all the counts together, that you could be sent to  
19 prison for a total of 25 years' imprisonment?

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: Second, in addition to these restrictions  
22 on your liberty, the maximum possible punishment also includes  
23 certain financial penalties.

24 The maximum allowable fine for Count One is \$250,000,  
25 or twice the gross monetary gain derived from the offense, or

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1 twice the gross monetary loss to persons other than yourself,  
2 whichever is greater.

3 The maximum allowable fine for Count Seven is  
4 \$250,000, or twice the gross monetary gain derived from the  
5 offense, or twice the gross monetary loss to persons other than  
6 yourself, whichever is greater.

7 In addition, I must order restitution to the victims  
8 of any offense. I understand that it is an amount of  
9 \$1,828,000 to the victim of Count One, but I must order  
10 restitution to any victims of your offense.

11 I can also order you to forfeit all property derived  
12 from the offense or used to facilitate the offense.

13 Finally, I must also order a mandatory special  
14 assessment of \$100 for each of the offenses to which you plead  
15 guilty.

16 Counsel, do either of you wish to correct or amend any  
17 of the penalties that I have just described?

18 MR. OKULA: No, your Honor, I think you have captured  
19 all of the elements.

20 THE COURT: Thank you.

21 MR. DRATEL: No, your Honor.

22 THE COURT: Thank you. So, Ms. Alameddine, do you  
23 understand that these are the maximum possible penalties.

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: So, Ms. Alameddine, do you understand that

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1 as a result of your guilty plea, you may lose certain valuable  
2 civil rights to the extent you have them or could otherwise  
3 obtain them now, such as the right to vote, the right to hold  
4 public office, the right to serve on a jury and the right to  
5 possess any kind of firearm?

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: Are you serving any other sentence,  
8 whether state or federal, or being prosecuted in state court  
9 for any crime?

10 THE DEFENDANT: No, your Honor.

11 THE COURT: Do you understand, Ms. Alameddine, that if  
12 your lawyer or anyone else has attempted to predict what your  
13 sentence will be, that their prediction could be wrong?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: That's good, because no one -- not your  
16 lawyer, not the government's lawyer -- no one can give you any  
17 assurance of what your sentence will be, since I will be the  
18 one to decide your sentence. I'm not going to do that now. As  
19 I will describe later in more depth, I will wait until I  
20 receive a presentence report from the probation department. Do  
21 you understand that?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: I will review the presentence report  
24 prepared by the probation department. You and the government  
25 will have an opportunity to challenge the reported facts and



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1 the application of the sentencing guidelines recommended by the  
2 probation officer. I am obliged to do my own independent  
3 calculation of the sentencing guidelines range.

4 After your initial advisory range has been determined,  
5 I have the authority in some circumstances to depart upward or  
6 downward from that range. I will determine what a reasonable  
7 sentence is for you based on the sentencing factors contained  
8 in the statute found at 18 U.S.C. Section 3553(a), which may  
9 result in imposition of a sentence that's either greater or  
10 lesser than the advisory guideline range.

11 Do you understand all of this?

12 THE DEFENDANT: Yes, I do, your Honor.

13 THE COURT: And have you and your attorney discussed  
14 how these advisory sentencing guidelines might apply in your  
15 case?

16 THE DEFENDANT: Yes, sir.

17 THE COURT: Do you understand that the sentence  
18 ultimately imposed may be different from any estimate your  
19 attorney may have given you?

20 THE DEFENDANT: Yes, your Honor.

21 THE COURT: Even if your sentence is different from  
22 what your lawyer or anyone else has told you it might be, even  
23 if it's different from what you expect or from what is  
24 contained in the written plea agreement you entered in with the  
25 government, you will still be bound by your guilty plea and

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1 will not be allowed to withdraw your plea of guilty. Do you  
2 understand that?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: So, Ms. Alameddine, I just described a  
5 number of possible consequences of your plea. Do you  
6 understand these possible consequences of your plea?

7 THE DEFENDANT: Yes, I do, your Honor.

8 THE COURT: Thank you. So, I understand that there is  
9 a plea agreement entered into between you, Ms. Alameddine, your  
10 lawyer and the lawyer for the government. Is that correct?

11 THE DEFENDANT: Yes.

12 MR. OKULA: Your Honor, I apologize for interrupting.  
13 Your Honor went through the litany of consequences. I didn't  
14 know if your Honor intended to later on in the proceeding ask  
15 about immigration or deportation consequences, which is  
16 something that your Honor I think should allocute the defendant  
17 to.

18 THE COURT: Thank you very much. I appreciate that.

19 Let me ask, Ms. Alameddine, are you a U.S. citizen?

20 THE DEFENDANT: Yes, I am.

21 THE COURT: Thank you. I took that from her response  
22 that she was born in Detroit. Thank you.

23 So, I have the original copy of the plea agreement in  
24 front of me. Can I ask you, Ms. Alameddine, is it correct that  
25 you have -- let me back up.

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1           This plea agreement is dated April 29; it is addressed  
2           to your lawyer Mr. Joshua L Dratel; it is signed by Mr. Okula.  
3           And I'm going to mark this as Court Exhibit 1, and I will after  
4           this proceeding provide it to the government to retain in its  
5           possession.

6           First, Ms. Alameddine, can I ask did you sign this  
7           agreement on the last page?

8           THE DEFENDANT: Yes, I did.

9           THE COURT: Thank you. Did you do that today in the  
10          presence of your lawyer?

11          THE DEFENDANT: Yes, I did.

12          THE COURT: Thank you. Did you read the agreement  
13          before you signed it?

14          THE DEFENDANT: Yes, I did.

15          THE COURT: Did you fully understand it before you  
16          signed it?

17          THE DEFENDANT: Yes.

18          THE COURT: Now, in this plea agreement you have  
19          agreed to a number of things, including but not limited to the  
20          filing of tax returns prior to sentencing, the payment of no  
21          less than \$654,000 in restitution, and forfeiture in the sum of  
22          money equal to at least \$1,828,000 and other specified  
23          property. And the government has agreed to certain things, all  
24          of which is included in this written agreement.

25          You have also agreed not to contest the applicability

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1 of civil fraud penalties in connection with the amended tax  
2 returns that you have agreed to make. It is important for you  
3 to understand that the plea agreement is binding on you and  
4 it's binding on the government. Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: Thank you. I'm also going to ask you to  
7 admit to the forfeiture allegations contained in the indictment  
8 with respect to the counts to which you are pleading guilty as  
9 outlined in your plea agreement.

10 THE DEFENDANT: Your Honor, may I speak with my  
11 attorney?

12 THE COURT: Please, take as much time as you like.

13 So, Ms. Alameddine, one of the features of your  
14 agreement with the government is that you have agreed on the  
15 guidelines range that applies in this case, is that correct?

16 THE DEFENDANT: Yes.

17 THE COURT: You should know that agreement is binding  
18 on you, it's binding on the government, but it is not binding  
19 on me. I have my own obligation to determine the correct  
20 guideline range and what the appropriate sentence is in this  
21 case. I'm not saying I'm going to come up with a range that's  
22 any different from what is in the letter agreement, but you  
23 need to understand that if I do, then I will not let you  
24 withdraw your plea even if the range I determine is higher than  
25 the one you agreed to with the government. Do you understand

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1 that?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Do you understand that under some  
4 circumstances you or the government would have the right to  
5 appeal any sentence that I impose?

6 THE DEFENDANT: The right to appeal?

7 THE COURT: Yes.

8 THE DEFENDANT: Yes.

9 THE COURT: Thank you. At the same time, in your plea  
10 agreement you have waived your right to appeal or otherwise  
11 challenge a number of things, including an agreement that you  
12 will not file a direct appeal or bring a collateral challenge,  
13 including but not limited to an application under Title 28  
14 U.S.C., section 2255 and/or Section 2241, nor seek a sentence  
15 modification pursuant to 18 U.S.C., Section 3582 of any  
16 sentence within or below the stipulated guideline range of 57  
17 to 71 months' imprisonment.

18 Furthermore, you have agreed that any appeal as to  
19 your sentence that's not foreclosed by the provision I have  
20 just described will be limited to that portion of the  
21 sentencing calculation that is inconsistent with or not  
22 addressed by that stipulation.

23 You further agree not to appeal any term of supervised  
24 release that is less than or equal to the statutory maximum.  
25 You have also agreed not to appeal any restitution that is less

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1 than or equal to \$2,482,000. You have also waived a number of  
2 rights to withdraw your plea or attack your conviction either  
3 on direct appeal or collaterally on the ground that the  
4 government has failed to produce any discovery material, Jencks  
5 Act material, exculpatory material other than information  
6 established in the factual innocence of the defendant, and  
7 impeachment material pursuant to Giglio v. United States, that  
8 has not already been produced as of the date of signing of your  
9 plea a agreement.

10 So you have waived a number of rights in your plea  
11 agree. Do you understand that?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Thank you. Does this written plea  
14 agreement constitute your complete and total understanding of  
15 the entire agreement between you and the government?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Has anything been left out?

18 THE DEFENDANT: No, your Honor.

19 THE COURT: Other than what is written in this  
20 agreement, has anyone made any promise or offered you any  
21 inducement to plead guilty or to sign this agreement?

22 THE DEFENDANT: No.

23 THE COURT: Has anyone threatened you, or forced you  
24 to plead guilty, or to sign the plea agreement?

25 THE DEFENDANT: No, your Honor.

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1 THE COURT: Has anyone made a promise to you as to  
2 what your sentence will be?

3 THE DEFENDANT: No, your Honor.

4 THE COURT: Good. Thank you very much.

5 Now, Ms. Alameddine, I told you earlier in this  
6 proceeding that I would turn to you and ask you to tell me in  
7 your words what it is that you did that causes you to believe  
8 that you're guilty of the charges to which you are pleading  
9 guilty. Can I please turn to you now to ask you to tell me in  
10 your words what it is that you did that makes you believe that  
11 you are guilty of the charges.

12 THE DEFENDANT: Yes. Between the years 2009 and 2013  
13 I took money via wire transfers from a nonprofit organization  
14 that I worked for in Manhattan, the Hereditary Disease  
15 Foundation.

16 THE COURT: Thank you. When you did that, did you  
17 know that what you were doing was wrong?

18 THE DEFENDANT: Yes, your Honor.

19 THE COURT: Thank you. Can you tell me what you did  
20 with respect to taxes for those years?

21 THE DEFENDANT: I did not include the money that I  
22 took from the foundation when I reported my taxes for each of  
23 those years.

24 THE COURT: Thank you. And were you aware at the time  
25 that you were violating the law by not including those amounts

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1 in your tax returns?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Thank you. Let me turn to you,  
4 Mr. Dratel. Do you know of any valid defense that would  
5 prevail at trial?

6 MR. DRATEL: No, your Honor.

7 THE COURT: Or know of any reason why your client  
8 should not be permitted to plead guilty at this time?

9 MR. DRATEL: No as to both.

10 THE COURT: Mr. Okula, are there any additional  
11 questions that you want me to ask of the defendant?

12 MR. OKULA: If the court pleases, your Honor, my  
13 understanding of what the defendant articulated with respect to  
14 Count One is that she took monies of the Hereditary Disease  
15 Foundation and transferred them or wire transferred. I would  
16 ask most respectfully that your Honor inquire that at the time  
17 the defendant took those funds she understood that they were  
18 funds that belonged to the Hereditary Disease Foundation and  
19 that she did not have a right to take those.

20 I think by acknowledging that what she did was wrong  
21 it sort of gets to it implicitly, but I think it would be  
22 better if she made that explicit.

23 I proffer with respect to the jurisdictional basis to  
24 Count One that the government would be able to prove various  
25 interstate wire transfers that were effectuated as part of that



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1 scheme and artifice.

2 THE COURT: Good, thank you.

3 Let me turn to you, Ms. Alameddine. You heard the  
4 question that was just suggested by Mr. Okula. Can you please  
5 respond?

6 THE DEFENDANT: Yes. I did wrongfully take the money  
7 from the Hereditary Disease Foundation.

8 THE COURT: Thank you. You understood that the money  
9 belonged to the Hereditary Disease Foundation.

10 THE DEFENDANT: Yes, I did.

11 THE COURT: You understood you did not have a legal  
12 entitlement to those funds at the time you took them?

13 THE DEFENDANT: Absolutely.

14 THE COURT: Thank you very much. I am going to turn  
15 to you now, Mr. Okula, just to ask you briefly to summarize  
16 what the evidence would be if the government -- if we were to  
17 go to trial.

18 Ms. Alameddine, I'm going to ask you to listen  
19 carefully to what Mr. Okula says regarding the proof that the  
20 government would bring. One of the questions I will then ask  
21 you is whether or not the things that Mr. Okula describes you  
22 having done is an accurate and true description.

23 Mr. Okula?

24 MR. OKULA: Yes, your Honor, I would be happy to.

25 Among other things, the government would be able to

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1 prove the following if this matter were to proceed at trial:

2 That between at least the period 2009 through 2013 the  
3 defendant, operating out of offices of Hereditary Disease  
4 Foundation both in New York and located in California,  
5 exercised or enjoyed the position of a controller, where she  
6 had supervisory responsibility with respect to the finances and  
7 accounting of that nonprofit organization. During that period  
8 of time, the defendant was aware that the Hereditary Disease  
9 Foundation existed in significant measure to issue grant monies  
10 for, among other things, genetic research. People would apply  
11 to the Hereditary Disease Foundation, and the HDF upon  
12 essentially accepting or agreeing to make a grant would  
13 disperse those grant funds to the grant recipients. The  
14 defendant devised a scheme basically to cook the books, if you  
15 will, of the Hereditary Disease Foundation by converting to her  
16 own personal use by transferring to her own bank accounts  
17 monies that were supposed to be disbursed to grant recipients  
18 and then covering it up on the Quickbooks of the HDF by making  
19 it or disguising the fact that she had personally taken those  
20 funds during the period 2009 through 2014. She took by fraud  
21 in excess of \$1.8 million dollars.

22 Now, during the time period of the particular tax  
23 years at issue, 2009 through 2013, the defendant caused the  
24 preparation of personal income tax returns and caused them to  
25 be filed with the IRS. The United States would be able to

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1 prove that for the income that consisted of the embezzled funds  
2 or the monies embezzled from the Hereditary Disease Foundation,  
3 the defendant knowingly and willfully failed to include those  
4 amounts as income on the returns that she filed with the IRS,  
5 including the 2013 year, where she as a result of the omission  
6 of over \$500,000 of embezzled income owed an additional amount,  
7 that is, there was a tax deficiency in excess of \$170,000.  
8 That among other things is what we would be able to prove at  
9 trial, your Honor.

10 THE COURT: Good. Thank you very much.

11 Ms. Alameddine, you just heard Mr. Okula describe  
12 certain of your actions. Was what he said accurate?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Thank you. So, let me ask both counsel,  
15 Mr. Okula and Mr. Dratel, do each of you agree that there is a  
16 sufficient factual predicate for a guilty plea?

17 MR. OKULA: Yes, your Honor.

18 MR. DRATEL: Yes, your Honor.

19 THE COURT: Do either of you know any reason why I  
20 should not accept the defendant's plea of guilty?

21 MR. OKULA: No, your Honor.

22 MR. DRATEL: No, your Honor.

23 THE COURT: Thank you.

24 Ms. Alameddine, can I please ask you to rise.

25 Count One charges you with engaging in a scheme to

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1 defraud a nonprofit foundation of money and property through  
2 the use of interstate wire transfers, in violation of 18  
3 U.S.C., Section 1343. How do you plead to that count?

4 THE DEFENDANT: I plead guilty, your Honor.

5 THE COURT: Count Seven charges you with tax evasion  
6 for the year 2013 in violation of 28 U.S.C., Section 7201. How  
7 do you plead to that count?

8 THE DEFENDANT: Guilty, your Honor.

9 THE COURT: Now, do you admit to the forfeiture  
10 allegations contained in the indictment with respect to Counts  
11 One and Seven?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Thank you.

14 It is the finding of the court in this case that the  
15 defendant is fully competent and capable of entering an  
16 informed plea; that the defendant is aware of the nature of the  
17 charges and the consequences of the plea; and that the plea of  
18 guilty is a knowing, voluntary and intelligent plea, supported  
19 by an independent basis in fact containing each of the  
20 essential elements of the offenses. The plea is, therefore,  
21 accepted, and the defendant is now adjudged guilty of those  
22 offenses.

23 Thank you very much, Ms. Alameddine. You may be  
24 seated. So, Ms. Alameddine, as I have described earlier in  
25 this proceeding, one of the most important factors for me in

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1 determining your sentence is going to be the presentence report  
2 that's prepared by the probation department. The probation  
3 department will want to interview you in connection with the  
4 preparation of that report.

5 Mr. Dratel, do you wish to be present in connection  
6 with any interview with that report?

7 MR. DRATEL: I do.

8 THE COURT: I am going to order that there be no  
9 interview unless counsel is present.

10 I direct that the government provide the probation  
11 officer with the factual statement within seven days.

12 Mr. Dratel, please arrange for Ms. Alameddine to be  
13 interviewed by the probation department within the next 14  
14 days. Mr. Daniels will notify the probation department that a  
15 PSR needs to be prepared in respect to this case.

16 So, Ms. Alameddine, if you choose to speak to the  
17 probation department, please be sure that everything that you  
18 choose to say is accurate and truthful. I read the report  
19 carefully, and it is important to me in deciding what sentence  
20 to impose.

21 You and your counsel will have the opportunity to  
22 review a draft of the presentence report. I encourage or ask  
23 you to please read the report and to review it carefully. Look  
24 for errors of fact or otherwise that you can find, anything  
25 that you can identify. Please point them out to your counsel

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1 so he can have them incorporated into the final report, or  
2 bring any of those errors to my attention at or prior to  
3 sentencing. So, please, focus carefully on that report; it's a  
4 very important element. If you see mistakes, point them out to  
5 your lawyer so that he can bring them to my attention.

6 I'm going to set a sentencing date approximately 90 --  
7 yes, Mr. Dratel?

8 MR. DRATEL: There are certain provisions in the plea  
9 agreement which have to do with calculating some of the loss  
10 figures, and also Ms. Alameddine, who is in custody, has to  
11 prepare tax returns for a number of years. I would just ask if  
12 we could get another month out. Rather than coming back and  
13 having to redo it, I just think from experience it's going to  
14 take significant time to do all that.

15 THE COURT: Thank you. Mr. Okula?

16 MR. OKULA: We have no objection at all to that, your  
17 Honor.

18 THE COURT: Thank you very much. I will set a  
19 sentencing date then approximately 120 days from now.

20 DEPUTY COURT CLERK: Friday, August 14 at 2:30 in the  
21 afternoon.

22 THE COURT: Counsel, does that time work for you?

23 MR. OKULA: It does for the government, your Honor.

24 MR. DRATEL: Yes, your Honor.

25 THE COURT: Thank you very much. So, sentencing is

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1 set for August 14th at 2:30 in the afternoon. Let me refer  
2 counsel to my individual rules of practice for criminal cases  
3 which contains rules regarding sentencing submission. The  
4 defense submissions are due two weeks prior to sentencing. The  
5 government's submissions are due one week prior to sentencing.

6 Good. Is there anything else that we should discuss  
7 now?

8 MR. OKULA: Two matters, your Honor, very briefly.  
9 First, I think when your Honor adjudicated the defendant guilty  
10 of Count Seven your Honor referred to Title 28 of the United  
11 States Code. I think your Honor misspoke and intended to refer  
12 to Title 26 which is the Internal Revenue Code.

13 THE COURT: Thank you. If I did misspeak, I  
14 apologize. I intended to say Title 26. That's what my notes  
15 say. And so if I misspoke --

16 I'm sorry, Ms. Alameddine. Just to make sure we do  
17 this correctly and I properly allocuted you as to Count One,  
18 I'm going to ask you to please rise, and I'm sorry to make you  
19 do this again. I'm confident I said it correctly, but I don't  
20 want to err. We have already discussed Count One. Count Seven  
21 charges you with tax evasion for the year 2013 in violation of  
22 26 U.S.C. 7201. How do you plead to that count?

23 THE DEFENDANT: Guilty, your Honor.

24 THE COURT: Thank you. It's been previously found  
25 that you are fully competent, and I adjudicate you guilty of

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1 that offense. Thank you.

2 Thank you very much, Mr. Okula.

3 MR. OKULA: I apologize, your Honor. I'm just trying  
4 to be careful. That's the way I heard it.

5 THE COURT: No, I appreciate. I misspoke.

6 MR. OKULA: Sorry about the tardiness of the written  
7 plea agreement. There were some final matters to be hashed  
8 out. It was finished though yesterday afternoon, and it's all  
9 on me for not getting it to the court earlier, so I apologize.

10 THE COURT: I appreciate that. Thank you very much.  
11 And I mostly mentioned it for apologizing for making you all  
12 wait here.

13 MR. DRATEL: There were some last minute changes, so  
14 it was down to the wire.

15 THE COURT: Thank you very much. Thank you,  
16 Ms. Alameddine. Thank you for your time. Thank you, counsel.

17 MR. DRATEL: Thank you, your Honor.

18 MR. OKULA: Thank you, Judge.

19 (Adjourned)  
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